

**CALFRESH REQUEST FOR POLICY INTERPRETATION****PI# 18-49**

**INSTRUCTIONS:** Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Retain a copy for your records and submit via email to CalFresh-PI@dss.ca.gov.

**Please note:** the policy interpretation provided is based on the unique set of facts presented and should not be assumed to apply in all scenarios.

1. RESPONSE NEEDED DUE TO: <input checked="" type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Other: 08/18/2017	5. DATE OF REQUEST: 04/20/2018	NEED RESPONSE BY: 05/01/2018
2. REQUESTOR NAME:	6. COUNTY/ORGANIZATION: MONTEREY	
3. PHONE NO.:      EMAIL:	7. SUBJECT: DEPENDENT CARE EXPENSE AND CONVERSION	
4. REGULATION CITE(S): 63-502.3	8. REFERENCES: (Include ACL/ACIN, court cases, etc. in references) NOTE: All requests must have a regulation cite(s) and/or a reference(s). ACL 13-102; 7 CFR 273.10(d)(5)	

9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

Customer has earned income and pay frequency is bi-weekly. CFHH reports out of pocket dependent care expense of \$50 that is paid to provider weekly.

ACL 13-102 states Expenses paid on a weekly or bi-weekly basis shall be converted to a monthly deductible expense by multiplying the weekly or bi-weekly expense by 4.33 or 2.167 as appropriate if income is also multiplied by these conversion factors.

Question: Do we apply a conversion factor to amount budgeted for dependent care? If so, is it the weekly conversion factor of 4.33 or bi-weekly conversion factor of 2.167?

10. REQUESTOR'S PROPOSED ANSWER:

No, the conversion factor would not be applied and \$200 monthly dependent care would be allowed. Both the ACL and CFR is interpreted as the conversion factor is applied if the income and expenses are paid at the same frequency.

11. STATE POLICY RESPONSE (CFPB USE ONLY):

Consistent with 7 CFR Section 273.9(d)(4), eligible households may deduct the full amount of their dependent care costs, excluding any amount that is covered by a subsidy, when determining CalFresh eligibility and benefit levels. Per instructions in ACL 13-102, expenses paid on a weekly or bi-weekly basis shall be converted to a monthly deductible expense by multiplying the weekly or bi-weekly expense by 4.33 or 2.167 as appropriate. In the case at hand, the weekly conversion factor of 4.33 would be used resulting in a monthly deductible expense of \$217.

Consistent with 7 CFR Section 273.9(d)(4), eligible households may deduct the full amount of their dependent care costs, excluding any amount that is covered by a subsidy, when determining CalFresh eligibility and benefit levels. Per instructions in ACL 13-102, expenses paid on a weekly or bi-weekly basis shall be converted to a monthly deductible expense by multiplying the weekly or bi-weekly expense by 4.33 or 2.167 as appropriate. In the case at hand, the weekly conversion factor of 4.33 would be used resulting in a monthly deductible expense of \$217. [see page 2]

**FOR CDSS USE**

DATE RECEIVED: 04/23/2018	DATE RESPONDED TO COUNTY/ALJ: 05/01/2018 RN
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**CALFRESH REQUEST FOR POLICY INTERPRETATION (Continued)**

PI#18-49

1. RESPONSE NEEDED DUE TO: <input type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Other: 08/18/2017		5. DATE OF REQUEST: 08/18/2017	NEED RESPONSE BY: 08/18/2017
2. REQUESTOR NAME: 08/18/2017		6. COUNTY/ORGANIZATION: 08/18/2017	
3. PHONE NO.:	EMAIL: 08/18/2017	7. SUBJECT: 08/18/2017	
4. REGULATION CITE(S): 08/18/2017		8. REFERENCES: <i>(Include ACL/ACIN, court cases, etc. in references)</i> <b>NOTE: All requests must have a regulation cite(s) and/or a reference(s).</b>	

Neither ACL 13-102 nor federal regulations suggest that the conversion factor should only apply when the CalFresh household receives earned income at the same frequency with which it is billed for the dependent care expense. Federal regulations simply apply this conversion factor to anticipated income as well as deductible expenses that will be received on a weekly or bi-weekly basis (compare 7 CFR 273.10 (c)(2)(I) And 273.10 (d)(5)). In other words, the conversion factor for dependent care expenses in this scenario would still apply, irrespective of how often the CalFresh household anticipates receiving earned income.